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ORIGINAL  
MEMORANDUM

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TO: Docket Control  
Arizona Corporation Commission

THRU: Matt Rowell  
Chief  
Economics and Research

FROM: Ernest G. Johnson *MD/for*  
Director  
Utilities Division

DATE: January 28, 2002

RE: **COMPLIANCE TO DECISION NO. 63657** - REQUEST FOR  
EXTENSION OF TIME. AMENDED MEMORANDUM (DOCKET NO. T-  
03590A-98-0364)

On November 21, 2001, Western CLEC Corporation ("Western") submitted correspondence requesting an extension of time to comply with one condition in the Commission's Decision granting Western authority to provide Facilities-Based and resold interexchange telecommunications services (Decision No. 63657). Western's CC&N was conditioned on the Company submitting proof of a performance bond. Western did not comply and its CC&N is void. Staff recommends that Western be granted an extension of 45 days to comply. In addition, Staff recommends that no further extensions of time for compliance be granted.

Originator: Anthony Gatto

Enc.

Arizona Corporation Commission

**DOCKETED**

JAN 29 2002

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Service List for: Western CLEC Corporation  
Docket No. (T-03590A-98-0364)

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BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL  
Chairman

AZ CORP COMMISSION  
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JIM IRVIN  
Commissioner

MARC SPITZER  
Commissioner

45 DAY

IN THE MATTER OF THE APPLICATION OF )  
WESTERN CLEC CORPORATION, FORMERLY ) DOCKET NO. T-03590A-98-0364  
ECLIPSE COMMUNICATIONS CORPORATION, )  
FOR A CERTIFICATE OF CONVENIENCE AND ) REQUEST FOR EXTENSION OF  
NECESSITY TO PROVIDE FACILITIES-BASED ) TIME TO FILE PROOF OF  
AND RESOLD TELECOMMUNICATIONS ) PERFORMANCE BOND  
SERVICES AND PETITION FOR COMPETITIVE )  
CLASSIFICATION OF PROPOSED SERVICES )

On May 4, 2001, the Arizona Corporation Commission issued Decision No. 63657 granting a Certificate of Convenience and Necessity ("CC&N") to Western CLEC Corporation, a wholly-owned subsidiary of Western Wireless ("Western CLEC" or the "Company"), to provide competitive facilities-based and resold telecommunications services in Arizona. In that decision, Western CLEC was ordered to comply with certain Staff recommendations as set forth in Findings of Fact Nos. 19 and 20. On June 4, 2001, Western CLEC docketed its compliance filing fulfilling certain items contained in the Findings of Fact. However, Western CLEC did not submit proof of a performance bond in the amount of \$100,000 as required in Finding of Fact 19(r)(4), and in fact, the Company has not obtained a performance bond. On November 5, 2001, the Commission's Compliance and Enforcement Manager issued a letter stating that Western CLEC could request an extension of the time for complying with the performance bond requirement. Accordingly, Western CLEC requests an

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1 extension of the time for filing its proof of a performance bond until the earlier of: (i) 30 days  
2 prior to the date the Company begins providing telecommunications service in Arizona; or (ii)  
3 30 months from the date of the Commission's order authorizing the requested extension. This  
4 request is supported by the following statement of facts.

#### 5 Statement of Facts

6 During the past two years, the telecommunications industry has experienced  
7 unprecedented financial challenges and turmoil. Many competitive providers have filed for  
8 bankruptcy, and all competitive providers have been forced to revise their business plans and  
9 targeted markets. When Western CLEC filed its application for a CC&N on July 2, 1998, the  
10 Company was preparing to enter the Arizona market. However, by the time Decision No.  
11 63657 was issued nearly three years later, the telecommunications market had changed  
12 dramatically, and Western CLEC had revised its business plans and delayed its targeted entry  
13 date into the Arizona market. Although Western CLEC has the financial strength to weather  
14 the current market conditions, the Company is entering markets in a prudent and deliberative  
15 way.

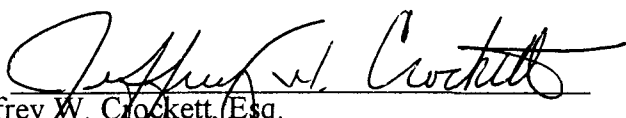
16 ( Western CLEC still intends to compete in Arizona, and the Company anticipates entry  
17 in the market within 30 months. ) However, the payment of premiums associated with the  
18 \$100,000 performance bond prior to the entry of Western CLEC into the Arizona market is not  
19 an efficient use of the Company's resources. Recognizing this fact, Western CLEC filed  
20 exceptions to the hearing officer's recommended opinion and order in this docket, and  
21 requested that the time for filing proof of the performance bond be extended to 90 days prior to  
22 the date the Company begins providing service. However, this proposal was not adopted by  
23 the Commission.

24 Western CLEC has gone to great expense and effort to obtain a CC&N, and the  
25 Company would like to avoid the additional expense and time of reapplying for a CC&N at a  
26 later date. Accordingly, Western CLEC respectfully requests that the Commission grant an

extension of the time for filing the Company's proof of performance bond until the earlier of:  
(i) 30 days prior to the date the Company begins providing telecommunications service in  
Arizona; or (ii) 30 months from the date of the Commission's order authorizing the requested  
extension. If requested to do so, Western CLEC will provide periodic updates to the  
Commission's Utilities Division Staff regarding the Company's planned entry into the Arizona  
market.

RESPECTFULLY SUBMITTED this 21st day of November, 2001.

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By:   
Jeffrey W. Crockett, Esq.  
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ORIGINAL and ten (10) copies  
filed with Docket Control of the  
Arizona Corporation Commission  
this 21st day of November, 2001.

COPIES MAILED this 21st  
day of November, 2001, to:

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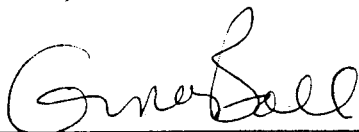
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